

CHAPTER 43
ASSESSMENTS AND REFUNDS

[Prior to 12/17/86, Revenue Department[730]]

701—43.1(422) Notice of discrepancies.

43.1(1) *Notice of adjustments.* An agent, auditor, clerk or employee of the audit and compliance division, designated by the director of the division to examine returns and make audits, who discovers discrepancies in returns or learns that the income of the taxpayer may not have been listed, in whole or in part, or that no return was filed when one was due, is authorized to notify the taxpayer of this discovery by ordinary mail. Such notice shall not be termed an assessment. It may inform the taxpayer what amount would be due if the information discovered is correct.

43.1(2) *Right of taxpayer upon receipt of notice of adjustment.* A taxpayer who has received notice of an adjustment in connection with a return may pay the additional amount stated to be due. If payment is made, and the taxpayer wishes to contest the matter, the taxpayer should then file a claim for refund. However, payment will not be required until assessment has been made (although interest will continue to accrue if payment is not made). If no payment is made, the taxpayer may discuss with the agent, auditor, clerk or employee who notified the taxpayer of the discrepancy, either in person or through correspondence, all matters of fact and law which the taxpayer considers relevant to the situation. Documents and records supporting the taxpayer's position may be required.

43.1(3) Rescinded, effective 7/24/85.

This rule is intended to implement Iowa Code sections 422.25 and 422.30.

701—43.2(422) Notice of assessment, supplemental assessments and refund adjustments. If after following the procedure outlined in 43.1(2) no agreement is reached, and the taxpayer does not pay the amount determined to be correct, a notice of assessment shall be sent to the taxpayer by mail. If the period in which the correct amount of tax can be determined is nearly at an end, either a notice of assessment without compliance with 43.1(2) or a jeopardy assessment may be issued. All notices of assessment shall bear the signature of the director.

The department may, at any time within the period prescribed for assessment or refund adjustment, make a supplemental assessment or refund adjustment whenever it is ascertained that any assessment or refund adjustment is imperfect or incomplete in any respect.

If an assessment or refund adjustment is appealed (protested under rule 701—7.41(17A)) and is resolved whether by informal proceedings or by adjudication, the department and the taxpayer are precluded from making a supplemental assessment or refund adjustment concerning the same issue involved in the appeal for the same tax period unless there is a showing of mathematical or clerical error or a showing of fraud or misrepresentation. Nothing in this rule shall prevent the making of an assessment or refund adjustment for the purpose of taking into account the impact upon Iowa net income of federal audit adjustments.

This rule is intended to implement Iowa Code sections 422.25 and 422.30.

701—43.3(422) Overpayments of tax. The following are provisions for refunding or crediting to the taxpayer's deposits or payments for tax in excess of amounts legally due.

43.3(1) *Claims for refund.* When an overpayment of tax is not indicated on the face of the return, a claim for refund of individual income tax may be made on a form obtainable from the income tax division. Claims for refund should not be mailed in the same envelope or attached to the return. In the case of a claim filed by an agent of the taxpayer, a power of attorney must accompany the claim.

43.3(2) *Offsetting refunds.* A taxpayer shall not offset a refund or overpayment of tax for one year as a prior payment of tax of a subsequent year on the return of a subsequent year without authorization in writing by the department. The department, may, however, apply an overpayment, or a refund otherwise due the taxpayer, to any tax due or to become due from the taxpayer.

43.3(3) *Setoffs administered by the department of human services, including the child support set-off.* Before any refund or rebate from a taxpayer's individual income tax return is considered for purposes of setoff, the refund or rebate must be applied first to any outstanding tax liability of that taxpayer with the department of revenue. After all outstanding tax liabilities are satisfied, any remaining balance of refund or rebate will be set off by the department against any debts of the taxpayer which are assigned to the department of human services for collection. Examples of debts assigned to the department of human services for collection are: (a) delinquent child support payments which the child support recovery unit of the department of human services is attempting to collect, (b) debts relating to foster care provided by the department of human services which the foster care recovery unit of that department is trying to collect, and (c) other amounts owed to the state for public assistance overpayments which the office of investigations of the department of human services is attempting to collect. For purposes of this rule, "public assistance" means aid to dependent children, medical assistance, food stamps, foster care, and state supplementary assistance.

The child support recovery unit, the foster care recovery unit, and the office of investigations of the department of human services will submit, at least on an annual basis, a listing which includes the full name and social security number of each individual that has a debt of \$50 or more which is to be collected by the department of human services. Upon receipt of this listing, the department of revenue and finance will notify the department of human services of the persons on the listing that have refunds, the addresses of those individuals, and the refund amounts.

After the department of human services has been notified of a taxpayer's entitlement to a refund or a rebate, the department is to send written notification to the taxpayer and a copy of the notification to the department of revenue and finance. The written notification advises the taxpayers of the human services department's assertion of its right to setoff of the refund, the taxpayer's right to contest the setoff action, and the taxpayer's opportunity to request that a joint income tax refund be divided between spouses.

If the department of revenue and finance has been advised by the department of human services that the taxpayer has requested that a joint income tax refund is to be divided before setoff, the refund will be divided between the debtor and the debtor's spouse in proportion to each spouse's net income. The portion of the refund which is determined to be attributable to the debtor will be set off and the portion of the refund which is determined to be attributable to the debtor's spouse will be refunded.

In instances where the debtor gives timely notice to contest the setoff of the refund by the department of revenue and finance, the department will hold the refund in abeyance until final disposition of the contested claim.

In cases where either the taxpayer has failed to contest the setoff or the contested claim for the setoff was resolved in favor of the department of human services, the department of revenue and finance shall set off the refund against the department of human services' liability and refund any balance to the taxpayer. The department of human services shall notify the debtor in writing when the setoff is completed. The department of revenue and finance shall periodically transfer the amounts set off to the department of human services.

In the case of multiple claims for setoff of the refund or rebate of a taxpayer, the highest priority will be given to claims filed by either the child support recovery unit or the foster care recovery unit of the department of human services; next priority will be given claims filed by the college aid commission and the next lower priority will be given to claims filed by the office of investigations of the department of human services. However, in the case of multiple claims for setoff where one of the claims is for the district court debts setoff, the claim for district court debts will have a lower priority than the other claim.

43.3(4) *College loan setoff.* Once all outstanding tax liabilities collectible by the department are satisfied and any claim for child support and any claim for foster care received from the department of human services have been satisfied, the balance of an overpayment or rebate will be set off by the department to be applied against an amount due because of default on a guaranteed student or parental loan made under Iowa Code chapter 261 if the department has been properly notified by the college aid commission pursuant to Iowa Code section 421.17.

Upon receipt of a list of defaulters from the college aid commission, the department of revenue and finance will notify the college aid commission of the amount of refund or rebate and the defaulter's address on the income tax return if the refund or rebate equals or exceeds \$50.

Unless the college aid commission is notified by a timely request by the defaulter or the defaulter's spouse to divide a joint refund or rebate, the department of revenue and finance will set off the debt against the defaulter's income tax refund or rebate if both the debt and the refund or rebate are at least \$50 and the department shall periodically transfer the amount set off to the college aid commission.

If the department of revenue and finance is notified by the college aid commission of a timely request to divide a joint refund resulting from a return using the filing status for married filing jointly, the refund will be divided based upon the net income of each spouse to the total net income as determined under Iowa Code section 422.7. If a timely request is received to divide a joint refund resulting from a return using the filing status for married filing separately on a combined return, the refund will be divided in the proportion of each spouse's net income to the net income of both spouses. The portion of the refund attributable to the defaulter will be set off while the portion of the refund attributable to the defaulter's spouse will be refunded by the department of revenue and finance.

43.3(5) *District court debts setoff.* Effective on or after July 1, 1986, once all outstanding tax liabilities collectible by the department of revenue and finance are satisfied; any claims received from the department of human services for delinquent child support, or for debts related to a child receiving foster care, or for amounts owed the state for public assistance overpayments are satisfied; and any claims for defaulted college loans which the college aid commission has been trying to collect have been satisfied; the balance of an overpayment or rebate from an individual's income tax return will be set off against the individual's debt to the Iowa district court, if the department has been properly notified by the clerk of district court pursuant to Iowa Code section 421.17.

Upon receipt of a list of names and social security numbers of debtors with debts of \$50 or more from the clerk of district court, the department will notify the clerk of the amounts of refunds or rebates of those debtors as well as the home addresses of the debtors.

The clerk will advise those debtors with refunds or rebates of the court's right to all or a portion of the refund through setoff, the debtor's right to contest the setoff and the opportunity for the debtor to request that a refund from a joint return or a combined return be divided between the spouses so that only the portion of the overpayment attributable to the debtor spouse will be set off.

If the debtor timely contests the setoff, the department will hold the refund or rebate in abeyance until all questions concerning the propriety of the setoff are resolved.

In any situation where the clerk transmits a request received in a timely manner from a debtor or debtor's spouse to divide the refund between the spouses, the refund will be divided in the ratio of each spouse's net income to the total net income of both spouses. After the setoff of a debtor's refund to the district court debt is made, the clerk of court is to notify the debtor in writing that the setoff was made. The department is to transfer amounts that have been set off to the district court clerk at least quarterly and monthly if it is deemed practicable.

43.3(6) *Overpayment credited to estimated tax.* Any remaining balance of overpayment, at the election of the taxpayer, will be refunded to the taxpayer or credited as a first payment of the taxpayer's estimated tax for the following year. However, a taxpayer may elect to credit an overpayment from a return to the estimated tax for the following tax year only in cases when the return is filed in the same calendar year that the return is due. For example, a taxpayer's 1994 return is due on April 30, 1995. If the taxpayer files that return on or before December 31, 1995, the taxpayer can elect to credit an overpayment on that return to estimated tax for 1995, and this election will be honored by the department. See also rule 701—49.7(422).

If an overpayment of income tax is shown as a credit to estimated tax for the succeeding taxable year, the amount shall be considered as a payment of the income tax for the succeeding taxable year and no claim for credit or refund of the overpayment shall be allowed on the return where the overpayment arose.

When a taxpayer elects to have an overpayment credited to estimated tax for the succeeding year, interest may properly be assessed on a deficiency of income tax for the year in which the overpayment arose. If a taxpayer elects to have all or part of an overpayment shown on the return applied to the estimated income tax for the succeeding taxable year, the election is binding to the taxpayer.

An overpayment of tax may be used to offset any outstanding tax liability owed by the taxpayer, but once an elected amount is credited as a payment of estimated tax for the succeeding year, it loses its character as an overpayment for the year in which it arose and thereafter cannot offset any subsequently determined tax liability.

43.3(7) *Refunds—statute of limitations for years ending before January 1, 1979.* Rescinded IAB 10/12/94, effective 11/16/94.

43.3(8) *Refunds—statute of limitations for tax years ending on or after January 1, 1979.* The statute of limitations with respect to which refunds or credit may be claimed are:

a. The later of

- (1) Three years after due date of payment upon which refund or credit is claimed; or
- (2) One year after which such payment was actually made.

b. Six months from the date of final disposition of any federal income tax matter with respect to the particular tax year. The taxpayer, however, must have notified the department of the matter within six months after the specified three-year period, contained in paragraph "a," subparagraph (1), above. The term "matter" includes, but is not limited to, the execution of waivers and commencement of audits. The refund is limited to those matters between the taxpayer and the Internal Revenue Service which affect Iowa taxable income. *Kelly-Springfield Tire Co. v. Iowa State Board of Tax Review*, 414 N.W.2d 113 (Iowa 1987).

c. For federal audits finalized on or after July 1, 1991, the taxpayer must claim a refund or credit within six months of final disposition of any federal income tax matter with respect to the particular tax year regardless when the tax year ended. It is not necessary for the taxpayer to have previously notified the department within the period of limitations specified in 43.3(8) "a"(1) above of a matter between the taxpayer and the Internal Revenue Service in order to receive a refund or credit. The term "matter" includes, but is not limited to, the execution of waivers and commencement of audits. The refund or credit is limited to those matters between the taxpayer and the Internal Revenue Service which affect Iowa taxable income. *Kelly-Springfield Tire Co. v. Iowa State Board of Tax Review*, 414 N.W. 2d 113 (Iowa 1987).

d. Three years after the date of the return for the year in which a net operating loss or capital loss occurs, which if carried back results in a reduction of tax in a prior period and an overpayment results.

43.3(9) *Refunds—statute of limitations for individuals who died as a result of hostile action.* Rescinded IAB 10/12/94, effective 11/16/94.

43.3(10) *Refunds—statute of limitations for MIAs and spouses of MIAs.* Rescinded IAB 10/12/94, effective 11/16/94.

43.3(11) *Refunds—statute of limitations for insolvent farmers who received capital gains from farmland sold in 1982 and 1983.* Rescinded IAB 10/12/94, effective 11/16/94.

43.3(12) *Refunds—statute of limitations for individuals with certain charitable contributions.* Rescinded IAB 10/12/94, effective 11/16/94.

43.3(13) *Refunds—statute of limitations for taxpayers who paid state income tax on 1988 returns on certain supplemental assistance payments.* Notwithstanding the three-year statute of limitations in Iowa Code section 422.73, claims for refunds filed with the department on or before April 30, 1993, will be considered timely if filed on a 1988 state return where the refund claim is for state income tax paid on supplemental assistance payments paid to an individual who provided unskilled in-home health services to a member of the individual's family. For additional information on the retroactive exemption for supplemental assistance payments, see rule 701—40.43(422).

43.3(14) *Refunds—statute of limitations for taxpayers who paid state income tax on returns for tax years where federal income tax was refunded due to a provision of the Taxpayer Relief Act of 1997.* Notwithstanding the three-year statute of limitations in Iowa Code section 422.73, claims for refund filed with the department on or before June 30, 1999, will be considered timely if the taxpayer's federal income tax was refunded due to a provision in the Taxpayer Relief Act of 1997 which affected the federal adjusted gross income of an individual or an estate or a trust. This particular provision may affect Iowa returns for a tax year beginning on or after January 1, 1977, to the extent the federal adjusted gross incomes on federal returns for the tax year were affected by the Taxpayer Relief Act of 1997.

This rule is intended to implement Iowa Code sections 421.17, 422.2, 422.16, and 422.73 as amended by 1998 Iowa Acts, Senate File 2357.

701—43.4(56,422,456A) Optional designations of funds by taxpayer.

43.4(1) *Iowa fish and game protection fund.*

a. For tax years beginning on or after January 1, 1982, but before January 1, 1984. The taxpayer may designate a portion or all of the overpayment of tax indicated on the face of the return to be donated to the Iowa fish and game protection fund. The donation must be \$1 or more, and the designation must be made on the original return for the current year. The donation is allowed only after obligations of the taxpayer to the Iowa department of revenue and finance, the child support recovery unit of the Iowa department of human services, and the college aid commission have been satisfied. The designation to the fund is irrevocable and cannot be made on an amended return. If the amount of refund as claimed on the original return is adjusted by the department, the amount of the designation to the fund may be adjusted accordingly.

EXAMPLE A: Overpayment as shown on the original return is \$50. \$25 is designated to the fund. Due to an error on the return, only \$20 is an overpayment. The taxpayer would not receive any refund and all \$20 of the overpayment would be credited to the fund.

EXAMPLE B: Overpayment as shown on the original return is \$50. \$25 is designated to the fund. Due to an error on the return, no overpayment occurred, but instead the taxpayer owes \$20. No money would be credited to the fund in this instance.

b. For tax years beginning on or after January 1, 1984. The taxpayer may designate an amount to be donated to the Iowa fish and game protection fund. The donation must be \$1 or more, and the designation must be made on the original return for the current year. The donation is allowed only after obligations of the taxpayer to the Iowa department of revenue and finance, the child support recovery unit of the Iowa department of human services, the college aid commission, and the additional political campaign contribution have been satisfied. The designation to the fund is irrevocable and cannot be made on an amended return. If the amount of refund claimed on the original return or the payment remitted with the return is adjusted by the department, the amount of the designation to the fund may be adjusted accordingly.

EXAMPLE A: Overpayment as shown on the original return is \$50. \$25 is designated to the fund. Due to an error on the return, only \$20 is an overpayment. The taxpayer would not receive any refund and all \$20 of the overpayment would be credited to the fund.

EXAMPLE B: Overpayment as shown on the original return is \$50. \$25 is designated to the fund. Due to an error on the return, no overpayment occurred, but instead the taxpayer owes \$20. No money would be credited to the fund in this instance.

EXAMPLE C: Amount shown due on return is \$30. \$20 is designated to the fund. A \$50 payment was made with the return. Due to an error on the return, the taxpayer owes \$40. Only \$10 would be credited to the fund in this situation.

43.4(2) Iowa election campaign fund.

a. For tax years beginning on or after January 1, 1983, but before January 1, 1984, any taxpayer who directs that \$1 of the taxpayer's tax liability be paid over to the Iowa election campaign fund may also donate an additional \$2 to be allocated to or among the qualifying political parties in the same manner as the taxpayer's \$1 designation. If a husband and wife file a joint return each spouse may direct that an additional \$2 be donated pursuant to the provisions of this paragraph. The \$2 donation will reduce the taxpayer's refund or increase the amount due with the return, and must be made on the original return for the current year. The donation is allowed only after the taxpayer's obligations to the Iowa department of revenue and finance, the child support recovery unit, foster care recovery unit, public assistance overpayments, the college aid commission, and the Iowa fish and game protection fund have been satisfied. The designation to the fund is irrevocable and cannot be changed on an amended return. If the refund due on the return or the payment remitted with the return is insufficient to pay the additional \$2 designated by the taxpayer, the amount designated shall be adjusted accordingly.

EXAMPLE A: Overpayment as shown on the original return is \$50. \$25 is designated to the Iowa fish and game protection fund and \$2 to the Iowa election campaign fund. Due to an error on the return, only \$26 is an overpayment. The taxpayer would not receive a refund and \$25 would be credited to the Iowa fish and game protection fund and \$1 would be credited to the Iowa election campaign fund.

EXAMPLE B: Tax due as shown on the original return is \$10. An additional \$2 is designated to the Iowa election campaign fund and a payment of \$12 is made with the return. Due to an error on the return an additional \$20 tax is due. No money would be credited to the fund in this instance.

EXAMPLE C: Overpayment as shown on the original return is \$100. \$25 is designated to the Iowa fish and game protection fund and \$2 to the Iowa election campaign fund. The taxpayer owes either the department for previously unpaid taxes, the child support recovery unit, or the college aid commission \$80. The taxpayer would not receive a refund, \$20 would be credited to the Iowa fish and game protection fund and no contribution to the Iowa election campaign fund would be allowed.

b. For tax years beginning on or after January 1, 1984, but before January 1, 1986, any taxpayer who directs that \$1 of the taxpayer's liability be paid over to the Iowa election campaign fund may also donate an additional \$2 to be allocated to or among the qualifying political parties in the same manner as the taxpayer's \$1 designation. If a husband and wife file a joint return each spouse may direct that an additional \$2 be donated pursuant to the provisions of this paragraph. The \$2 donation will reduce the taxpayer's refund or increase the amount due with the return, and must be made on the original return for the current year. The donation is allowed only after the taxpayer's obligations to the Iowa department of revenue and finance, the child support recovery unit, foster care recovery unit, public assistance overpayments, and the college aid commission have been satisfied. The designation to the fund is irrevocable and cannot be changed on an amended return. If the refund claimed on the original return or the payment remitted with the return is insufficient to pay the additional \$2 designated by the taxpayer, the amount designated shall be adjusted accordingly.

EXAMPLE A: Overpayment as shown on the original return is \$50. \$25 is designated to the Iowa fish and game protection fund and \$2 to the Iowa election campaign fund. Due to an error on the return, only \$26 is an overpayment. The taxpayer would not receive a refund and \$2 would be credited to the Iowa election campaign fund and \$24 would be credited to the Iowa fish and game protection fund.

EXAMPLE B: Tax due as shown on the original return is \$10. An additional \$2 is designated to the Iowa election campaign fund and a payment of \$12 is made with the return. Due to an error on the return an additional \$20 tax is due. No money would be credited to the fund in this instance.

EXAMPLE C: Overpayment as shown on the original return is \$100. \$25 is designated to the Iowa fish and game protection fund and \$2 to the Iowa election campaign fund. The taxpayer owes either the department for previously unpaid taxes, the child support recovery unit, or the college aid commission \$80. The taxpayer would not receive a refund and \$2 would be credited to the Iowa election campaign fund and \$18 would be credited to the Iowa fish and game protection fund.

c. For tax years beginning on or after January 1, 1986, a person with a tax liability of \$1.50 or more on the Iowa individual income tax return may direct or designate that a \$1.50 contribution be made to a specific political party or that the contribution be made to the Iowa election campaign fund to be shared by all political parties as clarified further in this paragraph. In the case of married taxpayers filing a joint Iowa individual return with a tax liability of \$3.00 or more, each spouse may direct or designate that a \$1.50 contribution be made to a specific political party or that a \$1.50 contribution be made to the Iowa election campaign fund as a contribution to be shared by all political parties. The designation or direction of a contribution to a political party or to the election campaign fund is irrevocable and cannot be changed on an amended return. The designation to a political party or the election campaign fund is allowed only after obligations of the taxpayer to the Iowa department of revenue and finance, the child support recovery unit, foster care recovery unit, public assistance overpayment, the college student aid commission, the district courts and other state agencies are satisfied and after designations of contributions to the Iowa fish and game protection fund are satisfied. Note that for purposes of this rule, "political party" means a party as defined in Iowa Code section 43.2.

In a tax year when there are two political parties for purposes of the Iowa election campaign fund, all undesignated contributions to the fund made on individual income tax returns for that tax year are to be divided equally between the two parties. In a tax year where there are more than two political parties for purposes of the Iowa election campaign fund, all undesignated contributions to the fund made on income tax returns for that tax year are to be divided among the political parties on the basis of the number of registered voters for a particular political party on December 31 of that tax year to the total number of registered voters on December 31 of that tax year that have declared an affiliation with any of the recognized political parties.

Thus, if there were 400,000 registered voters for “x” political party, 500,000 registered voters for “y” political party, and 100,000 registered voters for “z” political party on December 31 of a tax year where there were three recognized political parties, 40 percent of the undesignated political contributions on 1997 returns would be paid to “x” political party since 40 percent of the registered voters with an affiliation to a political party on December 31 had an affiliation with party “x” on that day.

43.4(3) *United States Olympic fund checkoff.* For tax years beginning on or after January 1, 1988, but prior to January 1, 1994, a taxpayer may designate a checkoff of \$2 to the United States Olympic fund on the taxpayer’s state individual income tax return. In the case of married taxpayers filing a joint state return or filing separately on the combined return form, each spouse may designate a \$2 checkoff to the Olympic fund. If the overpayment on the return or the payment made with the filing of the return is not sufficient to cover the amount designated to the Olympic fund by the taxpayer, the amount credited to the Olympic fund will be reduced accordingly. The designation to the Olympic fund is irrevocable and cannot be revised on an amended return.

A designation to the Olympic fund may be allowed for a taxpayer only after obligations of the taxpayer to the department of revenue and finance, the child support recovery unit of the department of human services, the foster care recovery unit of the department of human services, the college aid commission, the office of investigations of the department of human services, the district courts, other state agencies, the Iowa election campaign fund checkoff, and the Iowa fish and game protection fund checkoff are satisfied.

On or before March 1 of each year, starting in the year 1990 and ending in March 1991, the department shall pay all the moneys in the Olympic fund to the United States Olympic Committee. One-half of the amount paid is to be made available in the year of payment for local amateur sports and special Olympic programs in Iowa with the advice of the governor's council on physical fitness.

On or before March 1 of each year, starting in the year 1992, the department shall pay one-half of the moneys in the fund to the United States Olympic Committee. Fifty percent of the remaining moneys in the fund shall be spent in the same year for local amateur sports for which there is Olympic competition with advice from the governor's council on physical fitness. The other half of the remaining moneys shall be paid in the same year to Iowa special Olympics, incorporated, for special Olympic programs.

43.4(4) *Domestic abuse services checkoff.* For tax years beginning on or after January 1, 1991, but before January 1, 1996, and for tax years beginning on or after January 1, 1997, a taxpayer filing a state individual income tax return can designate a checkoff of \$1 or more to the general fund of the state to be used for the purposes of providing services to victims of domestic abuse or sexual assault. If the overpayment on the return or the payment made with the filing of the return is not sufficient to cover the amount designated to the domestic abuse services checkoff, the amount credited to the domestic abuse services checkoff will be reduced accordingly. The designation to the domestic abuse services checkoff is irrevocable and cannot be revised on an amended return.

A designation to the domestic abuse services checkoff may be allowed only after obligations of the taxpayer to the department of revenue and finance, the child support recovery unit of the department of human services, the foster care recovery unit of the department of human services, the college student aid commission, the office of investigations of the department of human services, the district courts, other state agencies, the Iowa election campaign checkoff, the Iowa fish and game protection fund checkoff, and the state fair foundation checkoff are satisfied.

On or before January 31 of the year following the year in which returns with domestic abuse services checkoff are due, the department of revenue and finance is to certify the total amount designated to the domestic abuse services checkoff to the state treasurer.

43.4(5) *State fair foundation checkoff.* For tax years beginning on or after January 1, 1993, a taxpayer filing a state individual income tax return can designate a checkoff of \$1 or more to the Iowa state fair foundation. If the overpayment on the return or the payment made with the filing of the return is not sufficient to cover the amount designated to the state fair foundation checkoff, the amount credited to the state fair foundation checkoff will be reduced accordingly. The designation to the state fair foundation checkoff is irrevocable.

A designation to the state fair foundation checkoff may be allowed only after obligations of the taxpayer to the department of revenue and finance, the child support recovery unit of the department of human services, the foster care recovery unit of the department of human services, the college student aid commission, the office of investigations of the department of human services, the district courts, other state agencies, the Iowa election campaign checkoff, the Iowa fish and game protection fund checkoff, the United States Olympic fund checkoff, and the domestic abuse services checkoff are satisfied.

On or before January 31 of the year following the year in which returns with the state fair foundation checkoff are due, the department of revenue and finance shall transfer the total amount designated to the state fair foundation to the state fair foundation fund.